87-1736

No.

Supreme Court, U.S.
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IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1987

MOLINS PLC,

Petitioner,

v.

DONALD J. QUIGG,
Assistant Secretary of Commerce,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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QUESTIONS PRESENTED

1. Holding itself bound to its interpretation of the substantive federal law of the D.C. Circuit, did the Federal Circuit transgress federal jurisprudential principles and apply an improper choice-of-federal law rule which will create further conflict among and within the regional circuits?

2. Has the Federal Circuit improperly utilized and misapplied the ripeness standards set forth by this Court in Abbott Laboratories v. Gardner, 387 U.S. 136 (1967) and its companion cases, all of which involved pre-enforcement challenges, so as to effectively destroy mandamus relief under the Administrative Procedure Act from a challenged informal agency policy which may violate governing statutes?

LIST OF ALL PARTIES

All parties appear in the caption of the case.

Molins PLC (hereinafter, Molins) has an affiliate Molins Machine Co., Inc., having its principal place of business in Richmond, Virginia.

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OPINIONS BELOW

The decision and opinion of the Court of Appeals for the Federal Circuit (hereinafter, Federal Circuit), dated January 22, 1988, is reported at 837 F.2d 1064, 5 USPQ 2d 1526, and is included herein as Appendix A. The original Memorandum of the District Court for the District of Columbia, as amended by an Order of April 23, 1987, with the Order of Dismissal dated April 13, 1987, is reported at 4 USPQ 2d 1646, and is included herein as Appendix B.

JURISDICTION OF THE COURT

This petition is submitted pursuant to 28 U.S.C. §1254(1) requesting this Court to review the judgment of the Federal Circuit dated January 22, 1988.

CITATION OF CONSTITUTIONAL PROVISIONS, STATUTES AND RULES

Constitution

U.S. Const. art. III

Statutes

5 U.S.C. §553

5 U.S.C. §§701-706

28 U.S.C. §453

28 U.S.C. §1254

28 U.S.C. §1295

28 U.S.C. §1361

35 U.S.C. §132

35 U.S.C. §§251-253

Rule

Sup. Ct. R. 17.1(a)

The pertinent text of the foregoing provisions is set forth in Appendix C.

STATEMENT OF THE CASE

This case involves a facial challenge to the validity of a Patent and Trademark Office (hereinafter, PTO) informal policy applied to a patent application assigned to the petitioner. The policy known as First Action Final Rejection (FAFR) policy denies a patent applicant a right to amend its application after a first action by the PTO. This policy has not been published in accordance with the rule-making provisions of the Administrative Procedure Act and remains in effect. It was utilized against the petitioner in its continuation application which led to the facial challenge.

Petitioner attempted to have the PTO Commissioner, the respondent herein, reverse the patent examiner's utilization of the FAFR policy before proceeding further and thereby exhausted its administrative remedies unsuccessfully. Thereafter, petitioner filed a civil action in

the nature of mandamus which not only challenged the utilization of that policy in this specific instance, but also presented a facial challenge directly to the legality of that policy. The facial challenge was based upon the rule-making requirements of the Administrative Procedure Act (5 U.S.C. §553) and the governing Patent Act (35 U.S.C. §132) which give all patent applicants a right of at least one amendment in response to the official action of the PTO in each application.

Subsequent administrative appeal procedures to the PTO Board of Patent Appeals and Interferences (the board) resulted in allowance of certain, but not all, claims in petitioner's application. The procedures could not address FAFR policy because of jurisdictional constraints, did not revoke the policy under attack and could not restore a substantive

right which had been taken away by the policy. Based upon the respondent's contention that petitioner's civil action was moot by virtue of these subsequent events, the Commissioner filed a motion to dismiss the civil action. The district court dismissed the case as moot.

Petitioner appealed to the Federal Circuit. Because the district court had stayed the mandamus action to permit other proceedings to take place in the PTO, petitioner did not argue that its challenge to the specific utilization of the PTO policy in petitioner's application was still justiciable. Rather, to reduce the appeal to the basic issue, petitioner argued that the facial challenge to the policy had not been adjudicated and was not moot.

The Federal Circuit determined that the issue presented was not unique to patent law and applied the law of the

circuit to which appeal from the district court normally lies, in this case D.C. Circuit law. Despite statements at oral argument suggesting that ripeness, an issue which had not been argued by the parties, was not at issue, the Federal Circuit panel concluded sua sponte, but without explanation, that absent an affirmance by the PTO board of a final rejection of application claims having nothing to do with the challenged policy itself, the validity of that policy is no longer ripe for judicial review. Because the Federal Circuit resolved the action on the issue of ripeness lost after the civil action was filed, it did not reach the issue of whether the facial challenge to the PTO policy was moot as held by the district court. The Federal Circuit also reserved ruling on the issue of whether this action was ripe at the time the complaint was lodged in the district court.

BASIS FOR FEDERAL JURISDICTION IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Jurisdiction in the United States District Court for the District of Columbia was founded on Section 1361 of Title 28, U.S. Code, and Section 701 et seq of Title 5, U.S. Code.

ARGUMENT

1. The Federal Circuit's Choice-Of-Law Jurisprudence In Federal Question Cases Violates Principles Of Federalism And Creates The Potential For Increased Inter-Regional Conflicts

The Federal Circuit has created a choice-of-federal law rule based on the assumption that such a rule minimizes confusion and conflicts in the federal judicial system. The rule is that the Federal Circuit will "apply the law of that circuit to which district court appeals normally lie, unless the issue pertains to or is unique to patent law."[1] This rule resulted in parsing of petitioner's

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1 Appendix A, pp. 5-A and 6-A.

mandamus action attacking the policy of an Executive agency over which the Federal Circuit has exclusive appellate jurisdiction.[2] In so parsing the action, the underlying issue, when considered in that vacuum, was considered to be not unique to patent law and, therefore, subject to D.C. Circuit precedent.

The Federal Circuit's approach suggests that if the case had been filed in another jurisdiction in which the Federal Circuit could not find a rule of prudential ripeness to dictate dismissal, the appeal would have had to have been decided on other grounds, including the merits. The Federal Circuit has thus engrafted an entirely new jurisprudential doctrine into the federal judicial system without any indication that Congress desired such a result. Such a rule maximizes, rather than

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[2] 28 U.S.C. 1295(a)(4)(A), (B)

minimizes, the possibility of confusion and conflicts in the federal judicial system.

The Federal Courts Improvement Act of 1982 created the Federal Circuit and gave it exclusive jurisdiction over certain types of action, not issues, to eliminate forum shopping and regional inconsistencies on patent law issues.[3] The Act never intended to have the Federal Circuit separate patent causes of action into issues beyond that necessary to carry out the will of Congress.

Recently, this Court has granted certiorari in Christianson v. Colt Industries Operating Corp.[4] which resulted from the divergent views of appellate jurisdiction between the Federal Circuit and the Seventh Circuit. With regard to the topic of its appellate jurisdiction and

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[3] S. Rep. No. 97-275, 97th Cong., 2nd Sess. 5 (1982).

[4] 822 F.2d 1544 (Fed. Cir. 1987), cert. granted, 108 S. Ct. 500 (1987).

appropriate exercise of that jurisdiction by applying federal law through its choice-of-law rules, the Federal Circuit has taken inconsistent positions in exercising jurisdiction based upon the existence of a patent case, but applying law based upon what it deems to be and not to be patent issues.

The Christianson case shows how difficult it is to determine what a patent cause of action is. Now litigants are faced with the impossible task of ascertaining what is a unique patent issue. The undesired ramifications of the Federal Circuit's choice-of-federal law rules, if allowed to stand, would be substantial as have been the Federal Circuit's rules regarding the matter of its appellate jurisdiction over non-patent causes of action.

In this case, which contains a substantive ultimate issue unique to

patent law, i.e., validity of a PTO policy, the Federal Circuit seems to be saying that an appeal of the mootness and ripeness issues (or any other issues not unique to patent law) should be treated as an appeal to the D.C. Circuit, but that the appeal on the merits of the cause of action would have to be treated as an appeal to the Federal Circuit. Such an issue-oriented approach runs counter to good appellate procedure and administration and also to the Federal Circuit's own understanding that its jurisdiction is case-based, not issue-based.

The Federal Circuit's choice-of-federal law rule encourages the forum shopping the Federal Courts Improvement Act of 1982 was designed to eliminate. That is, to the extent a patent case contains issues not pertaining or "unique" to patent law, a plaintiff is free to shop for a district court whose appeals lie to a

circuit with favorable law concerning those issues. For example, under the Federal Circuit's approach, a mandamus action against the Commissioner of Patents and Trademarks might be ripe if filed in the Eastern District of Virginia and yet not ripe if filed in the District of Columbia. Such a result was certainly not intended by the Federal Courts Improvement Act of 1982. Nor can this result be justified under general principles of federalism.

The implicit assumption of the Federal Circuit's opinion and decision with regard to these matters which are governed by federal constitution and federal statutes is that there is such a thing as D.C. Circuit law, First Circuit law and so on. The certiorari jurisdiction of this Court exists in part to eliminate divergent holdings by regional circuits, not to encourage them.[5] With regard to federal

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[5] Sup. Ct. R. 17.1(a).

question matters, each regional circuit must first look to the U.S. Constitution, federal statutes and the decisions of this Court interpreting those statutes.[6] Only for purposes of administration, good order and common sense has the rule derived that lower courts are bound by the decisional authority of their respective superior regional circuit courts of appeal because of the need for some supervisory authority.[7] If it were otherwise, inferior courts would be free to repudiate the decisional authority of their superior regional court, and the latter would be effectively prevented from exercising supervision and establishing uniformity at least throughout the region.

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6 United States v. Contreras, 667 F.2d 976, 979, (11th Cir. 1982), cert. denied, 459 U.S. 849 (1982).

7 See, e.g., Kennnard v. United Parcel Service, Inc., 531 F. Supp. 1139, 1142 (D. E.D. Mich. 1982).

However, the rules within a region do not represent an idealization of the federal system. Were the system ideal, lower courts would not be required to be bound by their own regional appellate authority on substantive law matters because a federal statute is supposed to be applied the same way in Portland, Maine as it is in Portland, Oregon. Yet the reality is that often federal laws are subject to various interpretations and applied accordingly under different fact situations.

To minimize disagreement, the federal judicial system has evolved rules, in concert with statutes governing appellate review, which make for a workable judiciary. Thus, a lower court must follow the decisional law of its supervisory appellate court.[8] One panel of an appellate court

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8 Kennard v. United Parcel, 531 F. Supp. at 1142.

must follow principles of stare decisis even though in disagreement with the holding of an earlier panel.[9] This Court has the authority to review conflicting decisions in two or more regional circuits in order to harmonize federal law.[10] Such a system aims to achieve -- within reasonable bounds -- a unified federal system.

To be workable, this system cannot needlessly perpetuate conflicting decisions among courts of appeal. It cannot leave citizens and other litigants with a judicially approved view that the federal laws of Kansas City, Kansas, in the Tenth Circuit need not be and are not the same as in Kansas City, Missouri, in the Eighth Circuit. Courts of appeals should --

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9 Insurance Agents' International Union, AFL-CIO v. National Labor Relations Board, 260 F.2d 736 (D.C. Cir. 1958), aff'd., 361 U.S. 477 (1960).

10 Sup. Ct. R. 17.1(a).

consistent with their judicial oath to administer justice "agreeably to the Constitution and laws of the United States"[11] -- seek to eliminate disharmony rather than institutionalize it in deciding federal questions.

The logical consequences of doing what the Federal Circuit did here leaves district courts in a worse position than if the Federal Circuit articulated its own view of the law. In a patent case in which appeal lies to the Federal Circuit, the district court must attempt to separate patent issues from non-patent issues without the help of any objective test. If it can accomplish this task, it must then serve two masters; it must look to Federal Circuit law to decide the patent issues and to the Federal Circuit's interpretation of

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[11] 28 U.S.C. § 453.

regional circuit law to decide non-patent issues.

With respect to non-patent issues (by whatever unknown test that is determined), if the Federal Circuit choice-of-federal law rule is allowed to stand, the district court could be faced in certain circumstances with an impossible choice between D.C. regional circuit law as expressed by its own regional court of appeals and D.C. regional circuit law as seen through the eyes of the Federal Circuit. For example, if the district court were disposed to review a patent issue it deemed ripe under D.C. regional circuit authority, e.g., as is embodied in Consolidation Coal Co. v. Federal Mine Safety and Health Review Commission[12], discussed more fully infra, it may be faced with an unresolvable dilemma if the issue would not be deemed

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12 824 F.2d 1071 (D.C. Cir. 1987).

ripe under the Federal Circuit's interpretation of D.C. Circuit law expressed in this case.

Such divergence makes a district court's job harder, not easier, and at the same time obscures the fact that there is and can be no de jure regional circuit approach to Article III requirements or to jurisdiction and substantive federal law questions. This is even more true in the present case where the Federal Circuit has exclusive subject matter jurisdiction over appeals from the Executive agency and should decide all of the issues in a manner consistent only with the Constitution and the precedent of this Court.

2. The Federal Circuit's Characterization Of D.C. Circuit Law Was Incomplete And Thus Inaccurate

The Federal Circuit held itself bound to the law of the D.C. Circuit on the grounds that the issue focuses on justici-

ability in the district court, which issue does not pertain uniquely to patent law and has no effect on the Federal Circuit's jurisdiction. This holding is wrong in multiple respects for reasons outlined in the remainder of this argument and demonstrates the danger of permitting the Federal Circuit to view substantive federal law through different prisms of regional circuit decisions.

The Federal Circuit misinterpreted and misapplied Webb v. Department of Health and Human Services[13] whose facts, like those of Abbott Laboratories v. Gardner[14], are inapposite to petitioner's case. Webb also involved a pre-enforcement challenge which required a factual setting. Unlike the present case, Webb did not involve (1) an applicant who may have already been deprived of a statutory right; (2) a

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13 696 F.2d 101 (D.C. Cir. 1982).

14 387 U.S. 136 (1967).

regulation or policy whose legality under the Administrative Procedure Act had been facially challenged; (3) a situation where the application of a regulation or policy had no avenue of review except by way of an action in the nature of mandamus; and (4) a factual setting in which the agency applied the regulation and never backed away from it.

Because the Federal Circuit overlooked the specific nature of petitioner's complaint (the specific challenges are conspicuously absent from the Federal Circuit's Opinion [Appendix A]) and never acknowledged that the deprivation of a statutory right was at stake, it could not properly decide if the hardship to petitioner was sufficient or insufficient to the extent such a factor is relevant at all in a case where a regulation or policy has already been applied.

In Webb, however, the plaintiff had the benefit of explaining to the district court and to the court of appeals why he felt the issue was fit for judicial decision and why his hardship was sufficient to preclude delay of review. After full consideration, the D.C. Circuit was persuaded that the validity of applying the challenged regulation to a particular request will vary depending upon the circumstances. Hence, a more concrete setting was, after full consideration of all the facts, deemed necessary. Little hardship to Webb, other than the filing of another suit, was seen caused to him.

Even though petitioner submits that "D.C. Circuit law" on ripeness was not controlling to the determination below, D.C. Circuit decisional authority is entitled to serious and substantial consideration and weight here because the district court sits in that circuit and a

large volume of appeals from administrative agencies are filed in the D.C. Circuit. More importantly, the D.C. Circuit has a well developed body of decisional law based upon its extensive contacts with administrative appeals. That law is set forth with considerable explanation in Consolidation Coal, a case not cited by the Federal Circuit in characterizing D.C. Circuit law sua sponte.

Consolidation Coal is more factually analogous to the present case because the agency's challenged regulations had already been applied in the form of a $150.00 fine to the petitioner who had exhausted administrative remedies. However, the challenged regulation in Consolidation Coal was not an informal policy, but a regulation properly promulgated in accordance with the Administrative Procedure Act and

codified in the Code of Federal Regulations.[15]

In Consolidation Coal, the majority observed "it is hard to fathom why the question of ripeness arises in this case at all" by virtue of the lone dissenter raising the issue sua sponte. That same difficulty to fathom is present in this case where, as in Consolidation Coal, the challenged policy had been squarely applied against the petitioner and there was nothing indefinite or conditional about the utilization of the policy.

The D.C. Circuit's ripeness analysis in Consolidation Coal was not controlled by

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[15] It is also interesting to note that the author of the dissent in Consolidation Coal was the earlier author of the opinion in Webb. The majority opinion in Consolidation Coal does not refer to Webb and even the dissent alludes to Webb only for the general proposition that there is sufficient hardship for review when a person is faced with a hard choice between disadvantageous compliance and strong sanctions. (Dissent, note 12.)

the Abbott Laboratories test. The D.C. Circuit also applied that test, but only to show that in a post-enforcement case, the two-pronged test is satisfied by meeting Article III ripeness standards. However, the mention of that two-pronged test in that case by the D.C. Circuit and its erroneous application in this case by the Federal Circuit suggests that this Court should speak to the essential distinction between pre-enforcement challenges and post-enforcement challenges to avoid any further confusion among the circuits on the applicability of Abbott Laboratories.[16] In any event, petitioner is satisfied to be judged according to Consolidation Coal standards in which Article III ripeness was found where the

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16 As observed by the D.C. Circuit majority in Consolidation Coal, it is no accident that the cases in which this Court developed the ripeness doctrine involved pre-enforcement challenges to agency action.

agency actions have potential negative consequences beyond the case at hand. Consolidation Coal also viewed the two-pronged test of Abbott Laboratories in a way which the Federal Circuit did not, i.e., in a way consistent with the presumption in favor of judicial review.

With respect to the "fitness for review" prong of the Abbott two-part test, if the challenged action raises purely legal questions, it is presumptively fit for judicial review, unless the courts or agency would benefit from postponement of review until the agency's policy has crystallized or the question arises in a more concrete setting. Better Government Association v. Department of State[17]; Eagle-Picher Industries v. United States Environmental Protection Agency[18]; Toilet

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17 780 F.2d 86 (D.C. Cir. 1986).

18 759 F.2d 905 (D.C. Cir. 1985).

Goods Association v. Gardner[19]. The Federal Circuit acknowledged that the PTO's FAFR policy is in final form and assumed that petitioner's challenge to this policy presents purely legal questions. The Federal Circuit thus found the issue presumptively fit for judicial review and turned to whether it, the district court or the PTO would benefit from postponing review of the FAFR policy.

The D.C. Circuit in Consolidation Coal noted that there are two types of institutional interests in determining the fitness of a challenge for review. The first type is the agency's interest in thinking through its policy choices and completing its decision-making process before its decision is subjected to judicial review. This type of institutional interest could not have motivated the Federal Circuit here because it assumed that the challenged FAFR

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19 387 U.S. 158 (1967).

policy has been in place for quite some time. The second type is the independent interest in postponing decision until the agency's decision under the policy has been applied. That policy was finally applied in the instant case and the agency never denied that fact. The only way in which the Federal Circuit could ignore the final application of the challenged policy was by reference to unrelated proceedings before the agency.

Consolidation Coal holds that "when there are no interests favoring postponement of review, there can be no prudential reasons to require the petitioner to demonstrate an additional quantum of injury caused by deferring review."[20] The Federal Circuit did not follow this holding and has created what the D.C. Circuit characterizes as an "Article III 'super-standing'

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20 Consolidation Coal, 824 F.2d at 1082.

requirement". Even though the Federal Circuit did not seriously question the existence of an Article III "case or controversy", it ignored the D.C. Circuit's view of Abbott Laboratories as not imposing an independent hardship requirement beyond that necessary for a "case or controversy" to exist.

Since the Federal Circuit and Commissioner offered no interests they have in deferring review (the Federal Circuit admitted such interests are "not significant"), petitioner's inability to obtain a statutory right is a sufficient hardship within the holding of Consolidation Coal. Hardship of the Abbott Laboratories variety has no place in a post-enforcement case such as this one. Only where it is clear in cases that the court and agency have a substantial interest in postponing review should a party be required to show some special hardship.

In giving controlling weight to the agency and the lower court's interest in not wanting immediate review, the Federal Circuit gave no weight or real consideration to the petitioner's interest in immediate review. Indeed, it can also be said that, some unfounded assumptions about the challenged policy aside, no real consideration was given to the real interests of the public, the agency and the court in immediate review of petitioner's challenge.

3. The Federal Circuit Has Created A Doctrine Of Prudential Ripeness Which, As Applied To The Facts Of This Case, Has No Basis In Constitutional Law, Statutory Law Or Common Law

In the sua sponte dismissal of petitioner's action in a case of first impression, the Federal Circuit did not find that, at the time of filing its complaint, petitioner failed to satisfy the "case or controversy" requirement of

Article III of the U.S. Constitution. Indeed, a fair reading of the Federal Circuit's opinion suggests that Article III compliance was not of concern to that court. It also did not find that the judicial or administrative interests in deciding this issue in a more concrete setting are significant. Instead, it found that other, undefined "prudential considerations" had not been satisfied and affirmed the trial court's dismissal of the mandamus action, albeit on totally different grounds. Presumably one such prudential consideration was petitioner's alleged failure to demonstrate that delay of review will have a direct and immediate impact upon its primary conduct.[21]

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[21] If there was such a failure and it was relevant to considerations of ripeness under the facts of the case, it may well have been due to the surprise raising of this issue by the Federal Circuit inferentially at oral hearing and specifically in its opinion. However, the real failure here may have been the Federal

In the Federal Circuit's view, the case was unripe in a prudential sense after the trial court's jurisdiction to issue an extraordinary writ against an administrative officer had been invoked. In other words, somewhere between filing of the action and appeal, ripeness had been lost.

In reaching its decision, the Federal Circuit agreed that FAFR policy is in final form, assumed that the facial challenge raised purely a legal issue, and found that the issue is presumptively fit for judicial review. Yet, the Federal Circuit without explanation also found that an appraisal of FAFR policy would benefit from review "in a more concrete setting" because it is inappropriate to review a long-standing agency practice, absent a specific application of that practice, the first time it has been challenged (Appendix A,

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Circuit's incomplete characterization of the nature of petitioner's challenge.

p. 10-A). The Federal Circuit did not and could not cite any authority for that proposition.

The Federal Circuit did not rely upon any specific authority of this Court or of the lower courts in its application of the "lost prudential ripeness" doctrine to the facts of this case. Instead, its only authority for that doctrine is a treatise on federal practice.[22] Thus, petitioner will examine that source to demonstrate the Federal Circuit's conclusion has deprived petitioner of its day in court and has prevented resolution of a justiciable issue which has public interest overtones. The Federal Circuit's approach upsets the delicate balance struck by this Court on prior occasions between, on one hand, concern over disturbing orderly adminis-

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22 13 A C. Wright, A. Miller & E. Cooper, Federal Practice and Procedure, § 3532.1 at 118 (2d ed 1984).

trative procedures and, on the other hand, allowing challenges to ultra vires governmental acts where administrative remedies have been exhausted.

Petitioner has no general disagreement with the statements made by the treatise authors with regard to the ripeness doctrine. Petitioner submits that they are totally misplaced in this case. There is a real dispute here because FAFR policy still exists and the agency has not disavowed any intention to enforce it. There is a genuine need to resolve that dispute because its utilization in future cases may cut off substantive rights of applicants by virtue of an ipse dixit policy in an unofficial manual which violates the rule-making provisions of the Administrative Procedure Act.

The assistance of the district court and the Federal Circuit was not sought merely in the capacity of a helpful

counselor. Since the agency instituted FAFR policy at its own initiative, it is not unfair to ask it to bear the burdens of litigation to justify that policy when applied against applicants such as the petitioner. The agency has offered no explanation, let alone a reasonable explanation, as to why -- in the context of this case -- it is unable to litigate the legal issues regarding validity of FAFR policy or why additional events such as a board affirmance of an examiner's final rejection are necessary for ripening a controversy.

If it is true that the prudential ripeness doctrine is grounded in concerns about hypothetical or advisory adjudications, courts should also be sensitive to the need to demonstrate adequately why the dismissal of a case resulted from it being based upon hypothetical rather than immediate facts. The Federal Circuit was

not sensitive to that need here. Indeed, it acknowledged that countervailing judicial or administrative interests in deciding this issue in a more concrete setting are insignificant. It simply concluded, without a hard examination of the facts, that the case was not in a sufficiently concrete setting and would not be so until the board had affirmed a final rejection which had been based on FAFR policy.

The Federal Circuit did not explain why a board affirmance which could not, as a jurisdictional matter, take up utilization of FAFR policy would make the setting more concrete and less hypothetical. It is impossible to glean from the Federal Circuit's opinion that FAFR policy had been challenged on grounds of violation of both the Patent Act and the Administrative Procedure Act. It is, therefore, impossible for the Commissioner now to contend

that the Federal Circuit's opinion demonstrates a connection was drawn by the Federal Circuit between those grounds and the need for a board affirmance of unrelated patentability issues.

Petitioner has suffered the deprivation of a statutory right if the pleadings are taken as true as they should have been in this posture of the case. The agency may be governing its actions under extra-legal policies which the Administrative Procedure Act was intended to prevent. The issues to be decided are, as acknowledged by the Federal Circuit, matters of law. Future utilization of FAFR policy which remains in place is a certainty.[23] Thus, the probability and

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[23] During the pendency of the action, the district court was advised that the FAFR policy had been applied against another Molins application. Petitioner's counsel also sought over a year ago to obtain, via a Freedom of Information Act (FOIA) request, information and statistics as to the FAFR policy. Although some telephone

importance of the anticipated injury dictates the need to decide this controversy, notwithstanding a reviewing court's deference to the policies and acts of an administrative agency.

As noted by the Federal Circuit, petitioner unsuccessfully petitioned the Commissioner to remove the final rejection imposed by virtue of the FAFR policy. This exhausted petitioner's administrative remedies, and the Commissioner has never otherwise contended. Petitioner was thus deprived of a right to amend, a right of particular importance to patent applicants

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communications were received regarding that request, the PTO never responded to the FOIA request. The district court was advised of the pendency of this request which was made, inter alia, to ascertain the frequency of application of the FAFR policy. Upon questioning by the Federal Circuit at oral argument, the Deputy Solicitor of the PTO was puzzled by the lack of a response by the PTO and stated he would inquire as to the problem. However, no response has yet been made six months subsequent to oral argument before the Federal Circuit.

in attempting to draft a difficult legal document.

As long ago observed by this Court in Topliff v. Topliff:[24]

> The specification and claims of a patent...constitute one of the most difficult instruments to draw with accuracy.

It was undoubtedly with this difficulty in mind that Congress provided patent applicants with the right to at least one amendment of the claims in Section 132 of the Patent Act and in the predecessor statutes. The courts and Congress have not been unmindful of the fact that a boundary which a patent claim seeks to draw cannot always be done with precision.[25] The district court and Federal Circuit had no justifiable reason in this case to deny

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24 145 U.S. 156, 171 (1892).

25 Royal Typewriter Co. v. Remington Rand, Inc., 168 F.2d 691, 693, 77 USPQ 517, 519 (2d Cir. 1948) (L. Hand, J.), cert. denied, 335 U.S. 825 (1948).

consideration of a challenge to an informal policy circumscribing the right to define those boundaries as a matter of law.

Indeed, even where an applicant is afforded full rights to amend the claims during prosecution of the application, it is not possible to guard against all error despite "the greatest skill and most untiring patience."[26] Because of the inevitability of human error, Congress has also provided a remedial scheme for the reissue of patents which claim too much or too little.[27] It goes almost without saying that the deprivation of at least one opportunity to amend the claims of an application is a serious and substantial loss, where the patent law provides that opportunity as a right. This right is something separate and apart from the

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26 Blake v. Stafford, 3 Fed. Cas. 610, 612 (C.C.D. Conn. 1868) (No. 1,504).

27 35 U.S.C. §§251-253.

agency's discretion in administering other aspects of the patent law in the manner intended by Congress. This right was denied to petitioner in this case and will be denied to petitioner and others in future cases because FAFR policy remains in effect.

No authority supports the Federal Circuit's "ripeness lost" jurisprudence. The section of the treatise relied upon by the Federal Circuit does not contain a single citation where a court successfully dismissed as ripe a case of the type involved here. The citations in that section deal generally with cases where a regulation has been promulgated by an agency but has not yet been applied or where the regulation no longer remains in effect.

Even in those cases annotated in the treatise referenced by the Federal Circuit, the distinction between ripeness and

mootness had been blurred because the distinction was not meaningful in light of the facts. It was clear in those instances that a justiciable controversy worthy of judicial intervention no longer remained either because there was no general policy to be reviewed,[28] settlement had taken place and the court found the controversy moot,[29] there was an ongoing investigation to develop facts upon which the challenge depended,[30] possible adverse actions several years in the future were too speculative for adjudication,[31] there was little possibility of the challenged action

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28 Gulf Publishing Co. v. Lee, 679 F.2d 44 (5th Cir. 1982).

29 ITT Rayonier, Inc. v. United States, 651 F.2d 343 (5th Cir. 1981).

30 Hooker Chem. Co. v. United States, 642 F.2d 48 (3d Cir. 1981).

31 Utah v. Andrus, 636 F.2d 276 (10th Cir. 1980).

being repeated,[32] the challenged regulations had been replaced,[33] no general ongoing policy was being challenged, and the issue could become ripe again in a related proceeding,[34] remedial actions had been taken specifically to moot the controversy,[35] or there had not yet been a present effect on the persons challenging the administrative regulation.[36] None of these factors are present in this case.

The Federal Circuit made no comment whatsoever on the cases cited in the treatise which had found that prudential ripeness had not been lost. Those

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32 Cheeseman v. Carey, 623 F.2d 1387 (2d Cir. 1980).

33 Shashoua v. Quern, 612 F.2d 282 (7th Cir. 1979).

34 In re Grand Jury, April 1979, 604 F.2d 69 (10th Cir. 1979).

35 Palmigiano v. Garrahy, 599 F.2d 17 (1st Cir. 1979).

36 National Hydro Systems, Inc. v. Schramm, 482 F. Supp. 693 (E.D. Pa. 1979).

cases appear much closer to the present case insofar as the plaintiff continued to face application of the challenged ordinance as does petitioner here,[37] the government could still apply sanctions,[38] and there is a likelihood of recurrence of governmental action.[39]

Ripeness should also be decided on the basis of all information available to the court. This was not done by the Federal Circuit in ignoring the two specific legal grounds of petitioner's challenge (violation of the Administrative Procedure Act and the Patent Act), in requiring that a board affirmance of a final rejection would

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37 Local 391, International Bhd. of Teamsters v. City of Rocky Mount, 672 F.2d 376 (4th Cir. 1982).

38 United States v. Homestake Mining Co., 595 F.2d 421 (8th Cir. 1979).

39 City of Philadelphia v. SEC, 434 F. Supp. 281 (E.D. Pa. 1977), appeal dismissed, 434 U.S. 1003 (197).

place the case in a more concrete setting when such requirement has no legal or practical meaning, and in assuming that an unpublished policy is or should be entitled to the same deference as regulations published in accordance with the Administrative Procedure Act.

Thus, the presumption in favor of judicial review was never overcome by the Federal Circuit's construction of petitioner's challenge in a light most favorable to the Commissioner and its misunderstanding of what kind of concrete setting was necessary. The decision of the Federal Circuit has essentially destroyed mandamus as an available remedy against administrative agencies who act outside their governing statutes.

4. The Federal Circuit Has Incorrectly Utilized And Applied The Abbott Laboratories Trilogy

At the outset of its opinion, the Federal Circuit set forth and purported to follow the ripeness standard articulated in Abbott Laboratories and its companion cases.[40] It then misapplied that standard by failure to recognize that those cases dealt with pre-enforcement declaratory judgment challenges to agency regulations which had been promulgated in accordance with the Administrative Procedure Act.

Because Abbott Laboratories involved pre-enforcement challenges, the Federal Circuit erroneously applied the two-pronged test of fitness of the issues for judicial decision and hardship to the parties of withholding court consideration. In a post-enforcement case such as this, such a test should be found inappropriate.

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40 Toilet Goods Association v. Gardner; Gardner v. Toilet Goods Association, 387 U.S. 167 (1967).

It should first be noted that the attack on the proprietary name regulations in the Abbott Laboratories case was not directed to the failure of the Commissioner to promulgate them in accordance with the Administrative Procedure Act. The Commissioner invited and considered comments by interested parties and thereafter promulgated the challenged regulation. Petitioner in this case is and was faced with a regulation in the form of an informal policy which has never been subjected to the rigors of the Administrative Procedure Act though the policy may affect the substantive rights of applicants for patent.

Before any enforcement of the FDA's proprietary name regulations had occurred in Abbott Laboratories, individual drug manufacturers and an association brought an action challenging the regulations on the grounds that the regulations had exceeded

the Commissioner's statutory authority. However, petitioner in the present case challenged the policy of the PTO Commissioner after the policy had been enforced and after petitioner had unsuccessfully petitioned to the point where the Commissioner's final decision was reviewable only by an action in the nature of writ of mandamus. Thus, petitioner had an even more compelling justification for judicial review of the policy applied against it than was present in Abbott Laboratories.

The drug manufacturers in Abbott Laboratories did not contend that the regulations deprived them of a right afforded to them under the Federal Food, Drug and Cosmetic Act, but merely alleged that the Commissioner had exceeded his authority. Petitioner in the present case also challenged the Commissioner's policy on the grounds that it had been deprived of

a substantive right under Section 132 of the 1952 Patent Act, Title 35, U.S. Code.

As noted in Abbott Laboratories:

> [I]t is fair to say that [the] basic rational [of the ripeness doctrine] is to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements over administrative policies, and also to protect the agencies from judicial interference until an administrative decision has been formalized and its effect felt in a concrete way by the challenging parties.[41]

Petitioner is satisfied to be judged by this standard. However, it is clear that it was not seeking a premature adjudication and was not engaging in abstract disagreement. The Commissioner's decision had been formalized and its effects were felt in a concrete way after its petition was unsuccessful and it was necessary for petitioner to appeal claims that it had not been permitted to amend in the continuation

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41 Abbott Laboratories, 387 U.S. at 148-49.

application in an effort to draw the boundaries of patent protection with even greater precision. The appropriate application of the intent of the Abbott Laboratories factors will bear out petitioner's position that the challenge to FAFR policy is ripe and not moot.

Even assuming that the Abbott Laboratories ripeness standard is directly applicable to the present case, a court is still required to evaluate both the fitness of the issue for judicial decision and the hardship to the parties of withholding court consideration. As to the fitness of the issue for judicial resolution, Abbott Laboratories makes it clear that a case is fit where the issue tendered is a purely legal one, no further administrative proceedings are contemplated, and there has been final agency action.

Petitioner's judicial challenge seeking a declaration of the illegality of

FAFR policy is a purely legal one (which the Federal Circuit acknowledged), made after there had been final agency action on the application of that policy to the petitioner and with no further administrative proceedings contemplated or possible with respect to that policy. The agency head who is a party to this controversy has never contended otherwise. Nor has he expressed any intention at any time that the challenged FAFR policy would be subjected to formal rule making procedures or that such policy would not be applied in the same way in the future. The foregoing should be construed in conjunction with the Federal Circuit's finding of the insignificance of judicial or administrative interests in deciding the challenge in a more concrete setting.

In Abbott Laboratories, this Court found the requisite hardship on the plaintiffs if court consideration were

withheld even though the challenged regulations had not yet been enforced against the plaintiffs. Yet, petitioner's claim in the instant case has been deemed unripe even though unquestionably ripe at the time it filed its complaint and only after the challenged policy had been enforced against it. Whereas the possibility of criminal sanctions resulting from failure to comply with administrative regulations may have justified pre-enforcement review in Abbott Laboratories, this Court's rationale as to the impact of challenged regulations is also applicable to the instant situation where a patent applicant has had a challenged policy already applied and the existence of that policy has a direct effect on the regular business of that applicant and all other similarly-situated applicants who regularly file applications. A challenge to a policy seems particularly appropriate

where a substantial question has been raised as to whether the policy may actually deprive persons of statutorily granted rights.

In summary, the standards of ripeness as enunciated in the Abbott Laboratories trilogy are directed to pre-enforcement declaratory actions challenging administrative regulations. Of necessity, therefore, these standards, though met by petitioner in this case, require somewhat more in the way of an immediate severity of a regulation's impact upon a declaratory judgment plaintiff, i.e., hardship. These standards are not at all relevant to a plaintiff who instituted an action to adjudicate an already ripe case or controversy created by utilization of agency policies.

Notwithstanding the fact that the district court summarily dismissed petitioner's action on a motion to dismiss and the Federal Circuit held the action to be

no longer ripe (if there can be such a thing without doing violence to the meaning of the word "ripe"), neither court treated the allegations in petitioner's complaint to be taken as true as they normally are against the non-moving party. Consequently, the dismissal by the Federal Circuit has to be judged in the light of the allegations of the complaint as established facts. Judged in that light, it is impossible to conclude that a policy finally and irrevocably utilized against a person after that person exhausts administrative remedies is no longer ripe where statutory rights are seriously compromised.

CONCLUSION

The Federal Circuit has departed far from the precedential guidelines laid down by this Court and lower courts in assessing ripeness and in applying unacceptable

choice-of-federal law rules. The Federal Circuit is a relatively new court with significant appellate jurisdiction, not only over appeals from the Patent and Trademark Office but also, from district courts in specified classes of cases, over the Claims Court, the Court of International Trade, the International Trade Commission, the Merit Systems Protection Board and boards of contract appeals of the various executive departments and agencies.[42] The need for the exercise of certiorari jurisdiction by this Court is particularly imperative to avoid the development of an erroneous ripeness and unclear choice-of-federal law jurisprudence by the Federal Circuit and the consequent adverse effect of such jurisprudence on aggrieved parties.

The Federal Circuit has unduly broadened prudential ripeness outside of

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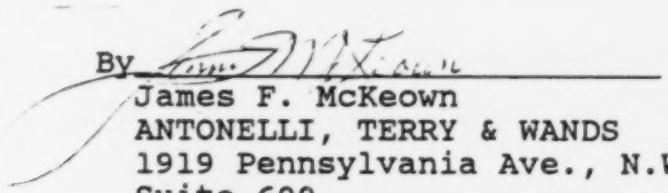
42 28 U.S.C. § 1295.

reasonable bounds and in doing so has impermissibly narrowed what constitutes a proper and justiciable "case or controversy". The Federal Circuit has not followed the spirit or the letter of Abbott Laboratories and has not in this case established that the presumption in favor of judicial review has been overcome.

The sua sponte decision of the Federal Circuit, its reliance upon the D.C. Circuit's decision in Webb, and the dismissal by the trial court on mootness grounds, evidence the uncertainty lower courts have regarding the doctrines of ripeness and mootness and the differences between them. The certiorari jurisdiction of this Honorable Court is now needed to sort out the ripeness and mootness doctrines so that lower courts will only dismiss lawsuits -- and thereby deprive litigants of a day in court -- under circumstances where it is sufficiently clear that the matter in issue

has either not ripened into a controversy or has been mooted because it has ceased for all practical purposes to be a controversy.

By 

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APPENDIX

APPENDIX A - Decision and Opinion Of The Court Of Appeals For The Federal Circuit

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

No. 87-1310

MOLINS PLC,

Plaintiff-Appellant,

v.

DONALD L. QUIGG,
ASSISTANT SECRETARY OF COMMERCE,

Defendant-Appellee.

DECIDED: January 22, 1988

Before BISSELL, Circuit Judge, BALDWIN, Senior Circuit Judge, and ARCHER, Circuit Judge.

Bissell, Circuit Judge.

Molins PLC (Molins), a corporation organized under the laws of Great Britain, appeals the judgment of the district court, Molins PLC v. Quigg, 4 USPQ 2d 1646 (D.D.C. 1987), dismissing as moot Molins' petition for a writ of mandamus to compel the Commissioner of Patents and Trademarks

(the Commissioner) to revoke the policy of the United States Patent and Trademark Office (PTO) of making rejections of claims final on the first office action and to enter Molins' proposed amendment to its second continuation patent application. We affirm.

BACKGROUND

In the examination of a patent application before the PTO, the second official action on the merits normally constitutes final rejection. 3 Patent Practice 11-63 (I. Kayton ed. 1985). However, the PTO has a First Action Final Rejection (FAFR) policy permitting a final rejection in specified situations:

> The claims of a new application may be finally rejected in the first Office action in those situations where (1) the new application is a continuing application of, or a substitute for, an earlier application, and (2) all claims of the new application (a) are drawn to the same invention claimed in the earlier application, and (b) would have been properly finally rejected on

> the grounds or art of record in the next Office action if they had been entered in the earlier application.

Manual of Patent Examining Procedure (MPEP) §706.07(b) (5th ed., rev. Oct. 1987).

Molins, as assignee, filed a second continuation patent application, Serial No. 648,262, along with a preliminary amendment. All claims were finally rejected by the PTO in a first office action under the FAFR policy. Molins unsuccessfully petitioned the Commissioner to remove this final rejection contending that the FAFR policy was improper. It argued that a patent application must receive a second examination before final rejection under the provisions of 35 U.S.C. §132 (1982): "Whenever, on examination, any claim for a patent is rejected [and] the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined [by the PTO]." After the Commissioner's denial of

the petition, Molins unsuccessfully attempted to file an amendment on July 1, 1985, proposing further changes to the claims. It then simultaneously pursued two courses of action. First, Molins appealed to the Board of Patent Appeals and Interferences (Board) the merits of the PTO's final rejection of this second continuation patent application. Second, Molins filed in the district court a petition requesting two writs of mandamus: the first to compel the Commissioner to rescind the FAFR policy and the second to compel the Commissioner to enter the proposed July 1, 1985 amendment.

On motion of the PTO, the district court stayed its proceeding pending a decision by the Board. The Board's decision affirmed-in-part and reversed-in-part the examiner's final rejection, entered a new ground of rejection and stated that Molins could elect to continue

prosecution by way of an amendment pursuant to 37 C.F.R. §1.196(b). On Molins' submission to the PTO and the subsequent entry of its amendment, the Commissioner moved in district court to dismiss the petition as rendered moot. The motion was granted. Molins, 4 USPQ 2d at 1650.

JURISDICTION

We have subject matter over this appeal as we did in Dubost v. United States Patent and Trademark Office, 777 F.2d 1651, 1564-65, 227 USPQ 977, 978-79 (Fed. Cir. 1985).

CHOICE OF LAW

In resolving choice of law questions we must consider "the general policy of minimizing confusion and conflicts in the federal judicial system." Panduit Corp. v. All States Plastic Mfg. Co., 744 F.2d 1564, 1574, 223 USPQ 465, 471 (Fed. Cir. 1984). Consistent with that policy, we apply the law of that circuit to which

district court appeals normally lie, unless the issue pertains to or is unique to patent law. See Panduit, 744 F.2d at 1574-75, 223 USPQ at 471; Atari, 747 F.2d at 1439-40, 223 USPQ at 1087. Because the dispositive issue in this case focuses on justiciability in the district court and, in particular, the ripeness doctrine, which does not pertain to patent law issues and has no effect on this court's jurisdiction, we will apply the law of the D.C. Circuit. Cf. Woodard v. Sage Products, Inc., 818 F.2d 841, 844, 2 USPQ 2d 1649, 1651 (Fed. Cir. 1987) ("deference is inappropriate on issues of our own appellate jurisdiction").

JUSTICIABILITY

Molins concedes that its request for entry of the amendment was mooted when the PTO entered the amendment. Nevertheless, it argues that its request for the second writ of mandamus -- its facial challenge to the FAFR policy -- is still justiciable. We disagree, concluding that absent a particularized request, the validity of MPEP §706.07(b) in view of 35 U.S.C. §132 is not ripe for judicial review.*/

The Supreme Court extensively examined the issue of ripeness and set forth the standard for judicial review in three

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*/ Because we resolve this action on the threshold issue of ripeness, we need not, and do not, reach the issue of whether the facial challenge to the FAFR policy was moot, as so held by the district court. Molins, 4 USPQ 2d at 1650. Further, ripeness at the time this action was filed is not at issue and not here decided.

companion cases: Abbott Laboratories v. Gardner, 387 U.S. 136 (1967); Toilet Goods Assoc. v. Gardner, 387 U.S. 158 (1967); Gardner v. Toilet Goods Assoc., 387 U.S. 167 (1967). "In determining whether a challenge to an administrative [action] is ripe for review a twofold inquiry must be made: first to determine whether the issues tendered are appropriate for judicial resolution, and second to assess the hardship to the parties if judicial relief to the parties is denied at that stage." Toilet Goods, 387 U.S. at 162; accord Abbott, 387 U.S. at 148-49. The D.C. Circuit has stated that this twofold inquiry "in essence requires the court to balance its interest in deciding the issue in a more concrete setting against the hardship to the parties caused by delaying review. Thus, if the hardship [to the parties] is slight, 'only a minimum showing of countervailing judicial or administrative interest

is needed . . . to tip the balance against judicial review.'" Webb v. Department of Health and Human Serv., 696 F.2d 101, 106 (D.C. Cir. 1982) (footnotes omitted) (quoting Diamond Shamrock Corp. v. Costle, 580 F.2d 670, 674 (D.C. Cir. 1978)); accord Continental Airlines, Inc. v. Civil Aeronautics Bd., 522 F.2d 107, 124-25 (D.C. Cir. 1974) (rehearing en banc).

In resolving the fitness prong of the ripeness issue, we must determine if the challenged action raises purely legal questions. If so, it is presumptively fit for judicial review, unless the courts or agency would benefit from postponement of review until the agency's policy has crystallized or the question arises in a more concrete setting. See Better Gov't Assoc. v. Department of State, 780 F.2d 86, 92 (D.C. Cir. 1986); Eagle-Picher Indus. v. United States Envtl. Protection Agency,

759 F.2d 905, 915 (D.C. Cir. 1985); accord Toilet Goods, 387 U.S. at 162-64.

The Commissioner states that the FAFR practice has been in existence for over sixty years since the decision in Ex parte Ball, 1924 Dec. Comm'r Pat. 123 (1923). Although Molins challenges this assertion, neither party disputes that the practice has existed for an extended period of time. Accordingly, we agree that the PTO's FAFR policy is in final form and will assume for the purposes of this opinion that Molins' facial challenge to this policy presents purely legal questions. Thus, the issue is presumptively fit for judicial review.

Hence, assuming, arguendo, that Molins' challenge crosses this threshold, the question becomes whether we, the district court, or the PTO would benefit from postponing review of the FAFR policy until such time as it is presented in the

context of a specific application. We conclude that an appraisal of this policy would benefit from review in a more concrete setting because it is inappropriate to review such a longstanding agency practice, absent a specific application of that practice, the first time it has been challenged. Cf. Horner v. Andrzjewski, 811 F.2d 571, 574 (Fed. Cir.), cert. denied, 108 S. Ct. 257 (1987) (long-standing interpretation of a statute by an agency charged with its administration must be upheld if reasonable) (citing Young v. Community Nutrition Inst., 476 U.S. 974, ____, 106 S. Ct. 2360, 2364-65 (1986)). Clearly, the MPEP has no binding effect on this court but its provisions represent the PTO's interpretation of the statues and regulations, Litton Systems, Inc. v. Whirlpool Corp., 728 F.2d 1423, 1439, 221 USPQ 97, 107 (Fed. Cir. 1984), and an agency's interpretation of statutes and regulations

deserves some deference. See American Lamb Co. v. United States, 785 F.2d 994, 1001 (Fed. Cir. 1986) (citing Zenith Radio Corp. v. United States, 437 U.S. 443, 450-51 (1978)). Thus the presumption in favor of review at the present time is overcome and review of this issue should be delayed "unless the interest in postponing judicial review is outweighed by the resultant hardship to [Molins]." Webb, 696 F.2d at 107. "In order to outweigh any institutional interests in the deferral of review, [Molins] must demonstrate 'hardship,' i.e., that 'the impact of the administrator's action could be said to be felt immediately by those subject to it in conducting their day-to-day affairs.'" Better Government, 780 F.2d 86, 92 (citing Toilet Goods, 387 U.S. 158, 168).

Molins contends that because it frequently files patent applications in this country, the FAFR policy has a con-

tinuing impact on the manner in which it conducts its affairs. We do not agree. With regard to hardship, the D.C. Circuit in Webb reviewed a factual scenario similar to that of the present action. Webb involved a medical doctor seeking (1) disclosure under the Freedom of Information Act (FOIA) of data contained in a New Drug Application filed with the Food and Drug Administration (FDA) and (2) invalidation of an FDA regulation that allegedly violated the FOIA. Id. at 104. The doctor argued that, although the requested information was subsequently released, his facial challenge to the regulation was still justiciable. Id. at 106. Holding that the challenge was not fit for judicial review absent a particularized request, the court considered the resultant hardship. "The only hardship Webb will endure as a result of delaying consideration of this issue is the burden of having to file

another suit. This is hardly the type of hardship which warrants immediate consideration of an issue presented in abstract form." Id. at 107 (footnote omitted). Molins' action likewise fails because it suffers from the same deficiencies -- it is not fit for judicial review and the only hardship to Molins is the burden of having to file another petition. Molins has not demonstrated that the FAFR policy has an immediate impact on it in conducting its day-to-day affairs.

This case is distinguishable from Better Government, 780 F.2d 86, upon which Molins relies. Better Government involved attempts to obtain information under the FOIA with accompanying requests to waive the search and copying fees. Id. at 88. The waivers were initially refused under Department of Justice (DOJ) guidelines and only granted after the requestor had filed suit challenging those guidelines. Id.

The court held that the challenges to the specific fee waivers were moot, but that the facial challenge to the guidelines was fit for judicial review, and the resulting hardship caused by the continued use of the DOJ guidelines would have a direct and immediate impact on the requestor's primary conduct. Id. at 90-93. The court held that "access to information through FOIA was vital to [the requestor's] organizational mission." Id. at 93. Conversely, we have held that Molins' action is not presently fit for judicial review and Molins has failed to demonstrate that delay of review will have a direct and immediate impact upon its primary conduct.

CONCLUSION

Although the countervailing judicial or administrative interests in deciding this issue in a more concrete setting are not significant, in the absence of a particularized request, those interests are

sufficient when balanced against the hardship to Molins. A case or controversy may be constitutionally ripe for review but that does not automatically invoke review. Prudential considerations must also be satisfied. 13A C. Wright, A. Miller & E. Cooper Federal Practice and Procedure §3532.1 at 118 (2d ed. 1984). Here they are not. Thus, review must await a more concrete setting. If, in the future, Molins has a continuation application which has been subjected to a FAFR office action and this final rejection has been affirmed by the PTO Board, the issue of the legality of the FAFR policy in view of 35 U.S.C. §132 will then be ripe for review.

AFFIRMED

APPENDIX B - Memorandum Of The District Court For The District Of Columbia, As Amended, With Order Of Dismissal

DISTRICT COURT, DISTRICT OF COLUMBIA

MOLINS PLC v. QUIGG

No. 86-0407

Decided April 13, 1987

Green, Senior District Judge.

This matter is before the Court on defendant Commissioner of Patents and Trademarks' motion to dismiss ("Motion to Dismiss"); plaintiff Molins PLC's opposition ("Plaintiff's Opposition") thereto; defendant's reply brief, and the entire record herein. For the reasons set forth below, the Court grants defendant's motion.

I. Background

On September 7, 1984, plaintiff filed a patent application ("Application-in-Suit") Serial No. 648,262, entitled "Conveyor System for Rod-Like Articles," in

the name of Dennis Hinchcliffe and William A. Stone. Motion to Stay Proceeding, Commissioner's Exhibit 1 ("Commissioner's Exhibit 1") at 1-2. This application was a continuation under 35 U.S.C. §120 of application Serial No. 571,943, which had been filed on January 19, 1984, and has now been abandoned. Commissioner's Exhibit 1 at 3-4. The January 19, 1984, application was a continuation of a still earlier application, Serial No. 151,983, which had been filed on May 21, 1980, and has now been abandoned. Commissioner's Exhibit 1 at 5-6. A first action final rejection, rejecting all claims in the application-in-suit was entered by the Patent and Trademark Office ("PTO") on January 7, 1985, pursuant to section 706.07(b) of the Manual of Patent Examining Procedure (5th ed. August 1983). Motion to Stay Proceeding, Commissioner's Exhibit 1 at 7-13.

After plaintiff received notice of the first action final rejection, it filed a petition on February 4, 1985, pursuant to 37 C.F.R. §1.181. Commissioner's Exhibit 1 at 14-23. Plaintiff argued that the PTO "final" action was incomplete and premature and, therefore, was improper. Id. Consequently, plaintiff's case was reopened by a patent examiner who issued a second, more complete action on March 1, 1985, which also was made final. Commissioner's Exhibit 1 at 24-28.

Plaintiff filed a second petition on March 13, 1985, requesting that the "final" status of the PTO action be withdrawn, and the prosecution of its case be reopened. Commissioner's Exhibit 1 at 29-31. The second petition was denied by the Director of Patent Examining Group 310 on May 22, 1985. Commissioner's Exhibit 1 at 32-34.

Thereafter, plaintiff petitioned the Deputy Assistant Commissioner for Patents

on June 26, 1985, and requested that the decision of the Director of Patent Examining Group 310 be reviewed, the final status of the PTO action of March 1, 1985 be withdrawn, and the prosecution reopened. Commissioner's Exhibit 1 at 35-44. On October 8, 1985, this petition was granted to the extent that the decision of the Director of Patent Examining Group 310 was reviewed, but plaintiff's request that the final status of its application be changed was denied. Commissioner's Exhibit 1 at 45-47.

Plaintiff then filed an amendment with the PTO on July 1, 1985 ("July 1, 1985, Amendment"). Commissioner's Exhibit 1 at 48-59. The July 1, 1985, Amendment proposed (1) changes to claims 1, 11, 12, 15-17, 20, 25, 29, 38, and 41 then in the application-in-suit; (2) the cancellation of claim 6; and (3) the addition of claim 42. Defendant, in an advisory action

entered July 25, 1985, refused to enter the July 1, 1985, Amendment because (1) plaintiff failed to carry its burden under PTO rule 116(b), which states that "if amendments touching the merits of the application or patent under reexamination are presented after final rejection, or after appeal has been taken, or when such amendment might not otherwise be proper, they may be admitted upon a showing of good and sufficient reasons" why the amendments are necessary and were not presented previously to the PTO, see 37 C.F.R. §1.116(b); (2) the proposed amendment raised new issues which would require further consideration and/or search; (3) the proposed amendment would not place the application in a better form for appeal by materially reducing or simplifying the issues for appeal; and (4) changes to claim 15 and new claim 42 raised new issues which would require specific

consideration of these features. Commissioner's Exhibit 1 at 60-61.

Plaintiff also filed a notice of appeal with the Board of Patent Appeals and Interferences[1] ("Board") on July 1, 1985, protesting the patent examiner's decision dated March 1, 1985. Commissioner's Exhibit at 62. The requisite appeal brief was filed subsequently on November 1, 1985. Commissioner's Exhibit 1 at 63-95. Plaintiff's appeal brief was considered by a PTO examiner who denied plaintiff's claims on January 28, 1986. Commissioner's Exhibit 1 at 96-104.

Following this denial by the PTO examiner, plaintiff filed this action on February 13, 1986, seeking a writ of mandamus to compel defendant to revoke his

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[1] The Patent and Trademark Board of Appeals merged with the Board of Patent Appeals and Interferences on November 8, 1984. See Patent Law Amendments Act of 1984, Pub. L. No. 98-662, §203, 98 Stat. 3383, 3387 (1984).

first action, final rejection practice and to enter the July 1, 1985, Amendment. Complaint at 1. The next day, plaintiff filed a petition with the PTO, pursuant to 37 C.F.R. §1.103, to suspend further action by the PTO pending judicial review of the decision of October 8, 1985. Commissioner's Exhibit 1 at 106-08. The Assistant Commissioner for Patents denied plaintiff's petition on March 26, 1986, on the grounds that petitioner's request to stay the PTO action was premature since the PTO will not suspend any proceeding where, as here, the applicant has some time period for response running against him, see 37 C.F.R. §1.103(a), and a prompt resolution of the appeal in the PTO would be in the best interest of judicial economy. Commissioner's Exhibit 1 at 109-11.

On March 26, 1986, defendant then filed with the Court a Motion to Stay Proceedings until June 30, 1986, to allow

the Board to enter a decision on plaintiff's appeal. Plaintiff filed an opposition to defendant's motion to stay proceedings as well as a cross-motion for stay of appeal in the PTO on April 4, 1986. The Court granted defendant's motion on July 1, 1986, and stayed this civil action until August 31, 1986.

Subsequently, the Board heard oral arguments on plaintiff's appeal on July 22, 1986. On July 30, 1986, the Board entered its decision which (1) affirmed the examiner's rejection of claims 1-3, 5-7, and 39; (2) reversed the examiner's rejection of claims 4, 11-38, 40, and 41; and (3) entered a new ground of rejection for claims 4, 36, and 37, pursuant to 37 C.F.R. §1.196(b). See Status Report filed on August 8, 1986, Commissioner's Exhibit 2 ("Commissioner's Exhibit 2") at 1-14.

Plaintiff's counsel was notified by letter dated August 8, 1986, of plaintiff's

three options pursuant to 37 C.F.R. §1.196(b)(1)(b)(3), given the Board's decision to enter new grounds of rejection. Commissioner's Exhibit 2 at 15. Under section 1.196(b), plaintiff could (1) submit an appropriate amendment of the claims rejected, or a showing of facts, or both, and have the matter reconsidered by the examiner in which case the application would be remanded to the examiner and the decision of the Board would not be considered final for the purpose of judicial review; (2) have the same record reconsidered by the Board; or (3) treat the Board's decision as final. 37 C.F.R. §1.196(b). Plaintiff's counsel was informed that the July 1, 1985, Amendment would be entered in full or in part, if it elected to continue prosecution before the examiner under option 1. However, plaintiff's choice of option 2 or 3 would cause the PTO to treat plaintiff's decision as a

voluntary waiver of its right to have that Amendment entered. Commissioner's Exhibit 2 at 15.

On September 2, 1986, plaintiff submitted an amendment ("September 2, 1986, Amendment") to the PTO, incorporating some of the amendments as to specification and claims which were included previously with the July 1, 1985, Amendment, and added three new claims not included in the prior amendment. Plaintiff chose not to amend eight claims as proposed originally in the July 1, 1985, Amendment. Motion to Dismiss, Commissioner's Exhibit 3 ("Commissioner's Exhibit 3") at 1-8. On October 28, 1986, plaintiff's counsel was notified by the PTO that the September 2, 1986, Amendment would be entered with the exception of the three new claims because section 1.196(b) does not allow the addition of new claims. Commissioner's Exhibit 3 at 9-11.

On October 30, 1986, defendant filed a motion to dismiss with this Court in which he asks the Court to dismiss plaintiff's complaint which challenged the nonentry of its July 1, 1985, Amendment, and the legality of the first action, final rejection policy of the PTO. Defendant contends that the Board's decision of July 30, 1986, moots both of the issues presented by plaintiff's complaint. Motion To Dismiss at 1, 7.

Defendant argues that "[a]s a result of the Board's decision . . . plaintiff's July 1, 1985, proposed amendment was permitted to be entered in full or part, at plaintiff's discretion." Id. at 1. Defendant contends that since plaintiff's requested relief was granted by the PTO, plaintiff's case is moot and should be dismissed. Additionally, defendant argues that judicial review of the first action, final rejection policy "would be inappro-

priate, and an unnecessary expenditure of judicial resources, in view of the fact that the underlying controversy is moot and that plaintiff has suffered no harm." Id. at 8.

Plaintiff opposes defendant's motion and argues that plaintiff's requested relief has not been granted. Specifically, plaintiff contends that as of November 19, 1986, the date on which its opposition brief was filed, plaintiff's July 1, 1985, Amendment had not been entered and the first action, final rejection policy had not been revoked. Plaintiff's Opposition at 3.

II. Discussion

Defendant's motion to dismiss presents the Court with two issues. First, the Court must decide whether the entry of the September 2, 1986, Amendment, with the exception of three new issues, renders plaintiff's initial claim moot. Second,

the Court must decide whether the first action, final rejection policy of the PTO should be reviewed.

A. Entry of Plaintiff's July 1, 1985, Amendment

"Federal courts are without power to decide questions that cannot affect the rights of the litigants in the case before them." North Carolina v. Rice, 404 U.S. 244, 246 (1971). In order to be before the Court properly, a case must be "definite and concrete, touching the legal relations of parties having adverse legal interests . . . . It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character . . . ." Id. (quoting Aetna Life Ins. Co. v. Haworth, 300 U.S. 227, 240-41 (1937)). Corrective action by an agency can moot an otherwise justiciable claim. Natural Resources Defense Council, Inc. v. U.S. Nuclear Regulatory Commission, 680, F.2d 810, 814 (D.C. Cir. 1982).

[1] It appears to the Court that plaintiff has received the relief requested in its complaint. Plaintiff requested a writ of mandamus directing the PTO to enter its July 1, 1985, Amendment. As noted above, the PTO has already notified plaintiff's counsel that the September 2, 1986, Amendment, the progeny of the July 1, 1985, Amendment, will be entered with the exception of the three new claims. Motion to Dismiss at 7. This action by the PTO renders moot any possible justiciable claim by plaintiff for nonentry of its July 1, 1985, Amendment. For these reasons, this Court has no power to grant further relief, and plaintiff's claim must be dismissed.

B. Revocation of the PTO's First Action, Final Rejection Policy

"Judicial review of administrative action, like all exercises of the federal judicial power, is limited by the requirement that there be an actual, live controversy to adjudicate." Campensinos Unidos

v. United States Dept. of Labor, 803 F.2d 1063, 1067 (9th Cir. 1986) (citing Iron Arrow Honor Society v. Heckler, 464 U.S. 67 (1983). "Mootness becomes an issue when the actions which provoked the suit have ended or been settled." Nash v. Texas, 632 F. Supp. 951, 961 (E.D. Tex. 1986).

In the instant case, plaintiff has requested a writ of mandamus directing the Commissioner of the PTO to revoke the PTO's first action final rejection policy. Complaint at 1. Plaintiff alleges that it has been injured by the first action final rejection policy. The alleged injury results from the delay in the granting of plaintiff's patent and the additional filing fees and legal fees incurred by plaintiff as it tried to obtain consideration of the refused amendments by the PTO. Plaintiff's Opposition at 3.

Defendant contends that since the Board's decision of July 30, 1986, permits plaintiff's proposed amendment to be entered, with the exception of the three new claims, the relief requested in the mandamus action has been granted. Any further judicial review of the first action final rejection policy he argues, could have no practical effect thus plaintiff's claim is moot. Plaintiff disagrees.

Plaintiff argues that the issue of the legality of the first action final rejection practice has not been rendered moot by the status of the proposed amendment of July 1, 1985. Plaintiff maintains that this issue falls within the "capable of repetition, yet evades review" exception to the mootness doctrine. Southern Pacific Terminal Co. v. ICC, 219 U.S. 498, 515 (1911). Plaintiff states that this issue involves repeated and continuous application of an unlawful practice to its patent

applications and those of other applicants by the PTO. Plaintiff alleges that the PTO evades review of this policy whenever the legality of the practice is raised by simply entering a previously refused amendment.

Under the "capable of repetition, yet evades review" exception, a claim is preserved for judicial review if the challenged conduct meets two criteria. First, there must be a reasonable expectation that the aggrieved party will be subjected again to the same improper behavior. First National Bank v. Belloti, 435 U.S. 765, 774 (1978). Second, the questioned actions must be too brief to be litigated fully prior to their cessation. Id. "[C]ourts must consider the nature of the dispute, the future relationship of the parties, the likelihood of a recurrence of the action, and the type of relief sought," in their analysis as to whether these two

essential factors exist. Nash, 632 F. Supp. at 961. "If the improper conduct is likely to be repeated, the harm is capable of repetition, and presents a proper controversy for adjudication." Campensinos Unidos, 803 F.2d at 1067 (citation omitted and emphasis added).

[2] After careful examination, the Court concludes that alleged injury sustained by plaintiff is not capable of repetition because the alleged harm did not result from the PTO's first action final rejection policy but from plaintiff's conduct before the PTO. The Court finds that plaintiff could have avoided the alleged delay and additional expenses by simply availing itself of procedural mechanisms already in place and utilized often by members of the United States Patent Bar. Plaintiff could have filed an amendment in the parent case before filing a continuation. See 37 C.F.R. 1.116

(1986). If plaintiff had chosen to submit an amendment rather than a continuation of its patent application, no final rejection could have been made by the PTO, see Manual of Patent Examining Procedure, §706.07(b) (5th Ed. August 1983), and the underlying basis of this civil action would never have existed.

Accordingly, the Court finds that the issue concerning the reviewability of the PTO's first action final rejection policy does not fall within the "capable of repetition, yet evades review" exception to the mootness doctrine and is, therefore, moot. Since plaintiff chose not to avail itself of the procedural mechanisms available to it and thereby prevent the harm claimed, the Court will not review the PTO's first action final rejection policy. Plaintiff made its choices and must now live with them.

III. Conclusion

For the reasons given above, the Court grants defendant's motion to dismiss and dismisses this case. An appropriate order is attached.

ORDER

Upon consideration of defendant Commissioner of Patents and Trademarks' motion to dismiss ("Motion to Dismiss"); plaintiff Motions PLC's opposition thereto; defendant's reply brief, the entire record herein, and for the reasons given in the accompanying memorandum, it is by the Court this 13th day of April 1987,

ORDERED that defendant's motion to dismiss is granted; and it is further

ORDERED that this case is dismissed.

APPENDIX C

U.S. Const. art. III

Section 1. The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behavior, and shall, at stated Times, receive for their Services, a Compensation, which shall not be diminished during their Continuance in Office.

Section 2. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority; -- to all Cases affecting Ambassadors, other public Ministers and Consuls; -- to all Cases of admiralty and maritime

Jurisdiction; -- to Controversies to which the United States shall be a Party; -- to Controversies between two or more States; -- between a State and Citizens of another State; -- between Citizens of different States, -- between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the supreme Court shall have appellate Jurisdiction, both as to Law and Fact, with such Exceptions, and under such Regulations as the Congress shall make.

The Trial of all Crimes, except in Cases of Impeachment, shall be by Jury; and such Trial shall be held in the State where

the said Crimes shall have been committed; but when not committed within any State, the Trial shall be at such Place or Places as the Congress may by Law have directed.

Section 3. Treason against the United States, shall consist only in levying War against them, or in adhering to their Enemies, giving them Aid and Comfort. No Person shall be convicted of Treason unless on the Testimony of two Witnesses to the same overt Act, or on Confession in open Court.

The Congress shall have Power to declare the Punishment of Treason, but no Attainder of Treason shall work Corruption of Blood, or Forfeiture except during the Life of the Person attainted.

5 U.S.C. §553. Rule making

(a) This section applies, according to the provisions thereof, except to the extent that there is involved --

(1) a military or foreign affairs function of the United States; or

(2) a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.

(b) General notice of proposed rule making shall be published in the Federal Register, unless persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law. The notice shall include --

(1) a statement of the time, place, and nature of public rule making proceedings;

(2) reference to the legal authority under which the rule is proposed; and

(3) either the terms or substance of the proposed rule or a description of the subjects and issues involved.

Except when notice or hearing is required by statute, this subsection does not apply --

(A) to interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice; or

(B) when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

(c) After notice required by this section, the agency shall give interested persons an opportunity to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation. After consideration of the relevant matter presented, the agency shall incorporate in

the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title [5 USCS §§556 and 557] apply instead of this subsection.

(d) The required publication or service of a substantive rule shall be made not less than 30 days before its effective date, except --

(1) a substantive rule which grants or recognizes an exemption or relieves a restriction;

(2) interpretative rules and statements of policy; or

(3) as otherwise provided by the agency for good cause found and published with the rule.

(e) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.

5 U.S.C. §701. Application; definitions

(a) This chapter [5 USCS §§701 et seq.] applies, according to the provisions thereof, except to the extent that --

(1) statutes preclude judicial review; or

(2) agency action is committed to agency discretion by law.

(b) For the purpose of this chapter [5 USCS §§701 et seq.] --

(1) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include --

(A) the Congress;

(B) the courts of the United States;

(C) the governments of the territories or possessions of the United States;

(D) the government of the District of Columbia;

(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

(F) courts martial and military commissions;

(G) military authority exercised in the field in time of war or in occupied territory; or

(H) functions conferred by sections 1738, 1739, 1743, and 1744 of title 12 [12 USCS §§1738, 1739, 1743, and 1744]; chapter 2 of title 41 [41 USCS §§101 et seq.]; or sections 1622 [50 USCS Appx. §1622], 1884, 1891-1902, and former section 164(b)(2), of title 50, appendix, and

(2) "person," "rule," "order," "license," "sanction," "relief," and "agency action" have the meanings given them by section 551 of this title [5 USCS §551].

5 U.S.C. §702. Right of review

A person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute, is entitled to judicial review thereof. An action in a court of the United States seeking relief other than money damages and stating a claim that an agency or an officer or employee thereof acted or failed to act in an official capacity or under color of legal authority shall not be dismissed nor relief therein be denied on the ground that it is against the United States or that the United States is an indispensable party. The United States may be named as a

defendant in any such action, and a judgment or decree may be entered against the United States: Provided, That any mandatory or injunctive decree shall specify the Federal officer or officers (by name or by title), and their successors in office, personally responsible for compliance. Nothing herein (1) affects other limitations on judicial review or the power or duty of the court to dismiss any action or deny relief on any other appropriate legal or equitable ground; or (2) confers authority to grant relief if any other statute that grants consent to suit expressly or impliedly forbids the relief which is sought.

5 U.S.C. §703. Form and venue of proceeding

The form of proceeding for judicial review is the special statutory review proceeding relevant to the subject matter in a court specified by statute or, in the absence or

inadequacy thereof, any applicable form of legal action, including actions for declaratory judgments or writs of prohibitory or mandatory injunction or habeas corpus, in a court of competent jurisdiction. If no special statutory review proceeding is applicable, the action for judicial review may be brought against the United States, the agency by its official title, or the appropriate officer. Except to the extent that prior, adequate, and exclusive opportunity for judicial review is provided by law, agency action is subject to judicial review in civil or criminal proceedings for judicial enforcement.

5 U.S.C. §704. Actions reviewable

Agency action made reviewable by statute and final agency action for which there is no other adequate remedy in a court are subject to judicial review. A preliminary,

procedural, or intermediate agency action or ruling not directly reviewable is subject to review on the review of the final agency action. Except as otherwise expressly required by statute, agency action otherwise final is final for the purposes of this section whether or not there has been presented or determined an application for a declaratory order, for any form of reconsideration, or, unless the agency otherwise requires by rule and provides that the action meanwhile is inoperative, for an appeal to superior agency authority.

5 U.S.C. §705. Relief pending review

When an agency finds that justice so requires, it may postpone the effective date of action taken by it, pending judicial review. On such conditions as may be required and to the extent necessary to prevent irreparable injury, the reviewing

court, including the court to which a case may be taken on appeal from or on application for certiorari or other writ to a reviewing court, may issue all necessary and appropriate process to postpone the effective date of an agency action or to preserve status or rights pending conclusion of the review proceedings.

5 U.S.C. §706. Scope of review

To the extent necessary to decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall --

(1) compel agency action unlawfully withheld or unreasonably delayed; and

(2) hold unlawful and set aside agency action, findings, and conclusions found to be --

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

(D) without observance of procedure required by law;

(E) unsupported by substantial evidence in a case subject to sections 556 and 557 of this title [5 USCS §§556 and 557] or otherwise reviewed on the record of an agency hearing provided by statute; or

(F) unwarranted by the facts to the extent that the facts are

subject to trial de novo by the reviewing court.

In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

28 U.S.C. §453. Oaths of justices and judges

Each justice or judge of the United States shall take the following oath or affirmation before performing the duties of his office: "I, _____, do solemnly swear (or affirm) that I will administer justice without respect to persons, and do equal right to the poor and to the rich, and that I will faithfully and impartially discharge and perform all the duties incumbent upon me as _____ according to the best of my abilities and understanding, agreeably to the Constitu-

tion and laws of the United States. So help me God."

28 U.S.C. §1254. Courts of appeals; certiorari; appeal; certified questions

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;

(2) By appeal by a party relying on a State statute held by a court of appeals to be invalid as repugnant to the Constitution, treaties or laws of the United States, but such appeal shall preclude review by writ of certiorari at the instance of such appellant, and the review on appeal shall be restricted to the Federal questions presented;

(3) By certification at any time by a court of appeals of any question of law in any civil or criminal case as to which instructions are desired, and upon such certification the Supreme Court may give binding instructions or require the entire record to be sent up by decision of the entire matter in controversy.

28 U.S.C. §1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction --

(1) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for

the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a claim arising under any Act of Congress relating to copyrights or trademarks and no other claims under section 1338(a) shall be governed by sections 1291, 1292, and 1294 of this title;

(2) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1346 of this title, except that jurisdiction of an appeal in a case brought in

a district court under section 1346(a)(1), 1346(b), 1346(e), or 1346(f) of this title or under section 1346(a)(2) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by sections 1291, 1292, and 1294 of this title;

(3) of an appeal from a final decision of the United States Claims Court;

(4) of an appeal from a decision of --

(A) the Board of Patent Appeals and Interferences of the Patent and Trademark Office with respect to patent applications and interferences, at the instance of an applicant for a patent or any party to a patent interference, and any such appeal

shall waive the right of such applicant or party to proceed under section 145 or 146 of title 35;

(B) the Commissioner of Patents and Trademarks or the Trademark Trial and Appeal Board with respect to applications for registration of marks and other proceedings as provided in section 21 of the Trademark Act of 1946 (15 U.S.C. 1071); or

(C) a district court to which a case was directed pursuant to section 145 or 146 of title 35;

(5) of an appeal from a final decision of the United States Court of International Trade;

(6) to review the final determinations of the United States International Trade Commission

relating to unfair practices in import trade, made under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337);

(7) to review, by appeal on questions of law only, findings of the Secretary of Commerce under headnote 6 to schedule 8, part 4, of the Tariff Schedules of the United States (relating to importation of instruments or apparatus);

(8) of an appeal under section 71 of the Plant Variety Protection Act (7 U.S.C. 2461);

(9) of an appeal from a final order or final decision of the Merit Systems Protection Board, pursuant to sections 7703(b)(1) and 7703(d) of title 5; and

(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section

8(g)(1) of the Contract Disputes Act of 1978 (41 U.S.C. 607(g)(1)).

(b) The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United States awarded by that department or agency which the head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contract Disputes Act of 1978 (41 U.S.C. 609(b)). The head of each executive department or agency shall make any referral under this section within one hundred and twenty days after the receipt of a copy of the final appeal decision.

(c) The Court of appeals for the Federal Circuit shall review the matter

referred in accordance with the standards specified in section 10(b) of the Contract Disputes Act of 1978. The court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter to any administrative or executive body or official with such direction as it may deem proper and just.

28 U.S.C. §1361. Action to compel an officer of the United States to perform his duty

The district courts shall have original jurisdiction of any action in the nature of mandamus to compel an officer or employee of the United States or any agency thereof to perform a duty owed to the plaintiff.

35 U.S.C. §132. Notice of rejection; reexamination

Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Commissioner shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention.

35 U.S.C. §251. Reissue of defective patents

Whenever any patent is, through error without any deceptive intention, deemed

wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

The Commissioner may issue several reissued patents for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued patents.

The provisions of this title relating to applications for patent shall be

applicable to applications for reissue of a patent, except that application for reissue may be made and sworn to by the assignee of the entire interest if the application does not seek to enlarge the scope of the claims of the original patent.

No reissued patent shall be granted enlarging the scope of the claims of the original patent unless applied for within two years from the grant of the original patent.

35 U.S.C. §252. Effect of reissue

The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same have been originally granted in such amended form, but insofar as the claims of the original and reissued patents are identi-

cal, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent.

No reissued patent shall abridge or affect the right of any person or his successors in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent, to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made,

purchased or used as specified, or for the manufacture, use or sale of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, practiced, or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

35 U.S.C. §253. Disclaimer

Whenever, without any deceptive intention, a claim of a patent is invalid the remaining claims shall not thereby be rendered invalid. A patentee, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of any complete claim, stating therein the extent

of his interest in such patent. Such disclaimer shall be in writing and recorded in the Patent and Trademark Office; and it shall thereafter be considered as part of the original patent to the extent of the interest possessed by the disclaimant and by those claiming under him.

In like manner any patentee or applicant may disclaimer or dedicate to the public the entire term, or any terminal part of the term, of the patent granted or to be granted.

Sup. Ct. R. 17. Considerations governing review on certiorari

.1. A review on writ of certiorari is not a matter of right, but of judicial discretion, and will be granted only when there are special and important reasons therefor. The following, while neither controlling nor fully measuring the Court's discretion, indicate the character of reasons that will be considered.

(a) When a federal court of appeals has rendered a decision in conflict with the decision of another federal court of appeals on the same matter; or has decided a federal question in a way in conflict with a state court of last resort; or has so far departed from the accepted and usual course of judicial proceedings, or so far sanctioned such a departure by a lower court, as to call for an exercise of this Court's power of supervision.

Supreme Court, U.S.
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No. 87-1736

In the Supreme Court of the United States

OCTOBER TERM, 1987

MOLINS PLC, PETITIONER

v.

DONALD J. QUIGG, ASSISTANT SECRETARY OF COMMERCE

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

MEMORANDUM FOR THE RESPONDENT IN OPPOSITION

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MEMORANDUM FOR THE RESPONDENT IN OPPOSITION

Petitioner contends that the court of appeals erred in dismissing as not ripe for review its challenge to the First Action Final Rejection (FAFR) policy of the United States Patent and Trademark Office (PTO).

1. On September 7, 1984, petitioner filed a patent application, entitled " 'Conveyor System for Rod-Like Articles,' " which was the second continuation of an earlier application relating to the same invention (Pet. App. 1B-2B). On January 7, 1985, the PTO, following its FAFR policy,[1] entered a final rejection of petitioner's entire application (*id.* at 2B).

[1] Under the FAFR policy, the first office action on a patent application will constitute a final rejection

> in those situations where (1) the new application is a continuing application of, or a substitute for, an earlier application, and (2) all claims of the new application (a) are drawn to the same invention claimed in the earlier application, and (b) would have been

Petitioner tried unsuccessfully to have the PTO rescind its rejection on the ground that the FAFR policy conflicted with 35 U.S.C. 132, which provides that "[w]henever * * * any claim for a patent is rejected, * * * if * * * the applicant persists in his claim for a patent, * * * the application shall be reexamined." Petitioner also attempted to file with the PTO, on July 1, 1985, an amendment to its application modifying its claims. The PTO, however, refused to enter the July 1, 1985, amendment. Pet. App. 3B-5B.

2. Petitioner appealed the PTO's rejection of its application to the Board of Patent Appeals and Interferences (Board). Petitioner also filed petitions for writs of mandamus in the Untied States District Court for the District of Columbia seeking to compel respondent Assistant Secretary of Commerce, as the head of the PTO, to enter petitioner's July 1, 1985, amendment and to rescind the FAFR policy. Pet. App. 4A, 6B-7B.

The district court stayed its proceeding pending the Board's decision. On July 30, 1986, the Board, among other things, entered a new ground for rejection of certain of petitioner's claims. As a result of this decision, petitioner was notified that petitioner, under 37 C.F.R. 1.196(b), could resubmit the July 1, 1985, amendment because of the new ground for rejection. On September 2, 1986, petitioner resubmitted the July 1, 1985, amendment; the PTO ultimately entered the amendment on October 28, 1986. Pet. App. 4A-5A, 8B-10B.

The district court thereafter dismissed the petitions for writs of mandamus, holding that the PTO's entry of the

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properly finally rejected on the grounds or art of record in the next Office action if they had been entered in the earlier application.

Manual of Patent Examining Procedure § 706.07(b), at 700-21 (5th ed. rev. 1987).

amendment on September 2, 1986 "render[ed] moot any possible justiciable claim by [petitioner] for nonentry of its July 1, 1985, Amendment" (Pet. App. 14B).

3. The United States Court of Appeals for the Federal Circuit affirmed, holding that petitioner's challenge to the FAFR policy was not ripe for review (Pet. App. 7A-16A).[2] Applying the case law of the District of Columbia Circuit,[3] the court concluded that "appraisal of [the FAFR] policy would benefit from review in a more concrete setting because it is inappropriate to review such a longstanding agency practice, absent a specific application of that practice, the first time it has been challenged" (*id.* at 11A). The court found that postponing review would not unfairly prejudice petitioner because petitioner could file another petition. Moreover, petitioner had not shown "that the FAFR policy [had] an immediate impact on it in conducting its day-to-day affairs" (*id.* at 14A). The court thus concluded that the "countervailing judicial or administrative interests" in reviewing a challenge to the FAFR policy in a concrete setting were "sufficient when balanced against the hardship to [petitioner]" to hold that the case was not ripe for review (*id.* at 15A-16A).

4. The decision of the court of appeals is correct. It does not conflict with any decision of this Court or of any other court of appeals. Accordingly, review by this Court is not warranted.

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[2] Petitioner conceded before the court of appeals that the PTO's entering of its amendment on September 2, 1986, had rendered moot its request for entry of the July 1, 1985, amendment (Pet. App. 7A).

[3] Following its precedents, the court applied "the law of that circuit to which district court appeals normally lie, unless the issue pertain[ed] to or [was] unique to patent law" (Pet. App. 5A-6A). The court applied the "ripeness doctrine" of the District of Columbia Circuit because that doctrine was dispositive of the appeal and did not pertain to patent law issues (*id.* at 6A).

a. Petitioner contends (Pet. 7-18) that the court of appeals' policy of applying the law of that circuit to which district court appeals normally lie, unless the issue on appeal pertains to patent law, improperly encourages the forum shopping Congress sought to eliminate by enacting 28 U.S.C. 1295(a)(1). Petitioner did not raise this issue before the court of appeals. Accordingly, this Court need not consider this claim. *Adickes* v. *S. H. Kress & Co.*, 398 U.S. 144, 147 n.2 (1970). Moreover, the court of appeals' choice-of-law rule makes sense because it minimizes the confusion and conflict which would result if district courts were required in patent cases to familiarize themselves with a separate non-patent law of the Federal Circuit in addition to the law of the regional courts of appeals, which review most of their decisions. See, *e.g.*, *Atari, Inc.* v. *JS & A Group, Inc.*, 747 F.2d 1422, 1438-1440 (Fed. Cir. 1984) (en banc).[4]

b. Petitioner also contends (Pet. 18-53) that the court of appeals improperly dismissed its challenge to the FAFR policy as not ripe for review. Petitioner's claim is meritless. The PTO's entry of petitioner's patent application amendment left petitioner, in the context of this lawsuit, with merely an abstract disagreement over the FAFR policy, the effects of which petitioner no longer felt "in a concrete way." *Abbott Laboratories* v. *Gardner*, 387 U.S. 136, 148 (1967). Review was particularly inappropriate at this stage given undefined terms within the policy itself.[5] Thus, a reviewing court would benefit from

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[4] In any event, petitioner does not suggest that any other court of appeals' ripeness decisions would have produced a different result. For this reason as well, this is not an appropriate case to review the Federal Circuit's choice-of-law rule.

[5] For example, the FAFR policy applies only to those continuation applications that are "drawn to" the same invention described by

having a specific application of the policy, not only for focusing the issue on appeal, but also for providing an authoritative interpretation of the regulation. Cf. *Young* v. *Community Nutrition Inst.*, 476 U.S. 974, 980-981 (1986). Finally, given the lack of hardship to petitioner if review were postponed, the court of appeals correctly treated petitioner's claim as not ripe because "the impact of [the FAFR policy would not] be felt immediately by [petitioner] in conducting [its] day-to-day affairs." *Toilet Goods Ass'n* v. *Gardner*, 387 U.S. 158, 164 (1967).

It is therefore respectfully submitted that the petition for a writ of certiorari should be denied.

CHARLES FRIED
Solicitor General

MAY 1988

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earlier submissions. *Manual of Patent Examination Procedure*, *supra*, § 706.07(b), at 700-21. The policy contains no written definition of "drawn to" (*ibid.*).

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Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF FOR PETITIONER

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Respondent's memorandum accentuates the urgent need to have this Court examine the Federal Circuit's "choice-of-federal law" rule before it is applied in other federal law cases to reach results anomalous to the concept of a "federal" judiciary. In this case, that rule has led to the refusal of the lower courts to consider a ripe challenge to an administrative policy which had been finally applied and never withdrawn, a policy which respondent's brief acknowledges is vague and impliedly concedes was never promulgated in accordance with rule-making provisions of the Administrative Procedure Act. That rule has also led to a basic misinterpretation of Abbott Laboratories and the creation of "super standing" beyond anything envisioned by the framers of the

Constitution in requiring a "case or controversy" to invoke federal jurisdiction.

Petitioner has challenged the application of the Federal Circuit's choice-of-law policy in federal question cases. Respondent contends this Court need not consider this claim since "[p]etitioner did not raise this issue before the court of appeals" (Respondent's Memorandum 4). Respondent cites Adickes v. S.H. Kress and Co.[1] in support of this contention.

Of course, petitioner could not challenge the application of the Federal Circuit's choice-of-law policy until that policy had been applied against petitioner by the court of appeals. The footnote in Adickes v. S.H. Kress and Co. to which respondent refers concerns a challenge to a

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[1] 398 U.S. 144, 147, n. 2 (1970).

district court ruling which could have been but was neither raised before nor considered by the court of appeals. Adickes is inapposite to the present case.

Respondent contends it is inappropriate to review the Federal Circuit's choice-of-law rule since "petitioner does not suggest that any other court of appeals' ripeness decisions would have produced a different result" (Respondent's Memorandum 4, n. 4).

Petitioner does not seek to have "any other court of appeals' ripeness decisions" applied. It is petitioner's position that the Federal Circuit should have enunciated its own ripeness jurisprudence based upon constitutional and prudential principles rather than misinterpreting and misapplying D.C. Circuit ripeness law.

The memorandum of respondent is totally silent as to the challenge of petitioner to the FAFR policy as being violative of the Administrative Procedure Act rule-making provision. Respondent has never challenged the statement that petitioner and others who regularly file patent applications are faced with a policy which the respondent impliedly concedes is ambiguous or, in his words, has "undefined terms within the policy itself." This constitutes a concrete disagreement over a policy with concrete and continuing effects.

Respondent incorrectly characterizes the FAFR policy as a "regulation". It is not. However, respondent seeks the benefit of presumptions normally accorded to regulations which have endured the rigors of

the Administrative Procedure Act in connection with the PTO's unpublished policy.

The Federal Circuit's decision leaves in place for application against petitioner and others an agency policy which was applied against petitioner in a concrete setting, which contains undefined terms within the policy itself and which has not been published in accordance with the rule-making provisions of the Administrative Procedure Act.

It is therefor submitted that the petition for writ of certiorari should be granted.

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